Shopping around for a mortgage pays off

According to our National Housing Survey®, more than one-third of homebuyers said they didn’t shop around for a mortgage, frequently citing greater interest in non-financial priorities, such as customer service, trustworthiness, and lender familiarity. The two-thirds of homebuyers who did obtain multiple quotes were more likely to have negotiated loan terms like interest rates and discount points — and to have succeeded in those negotiations.

While more than one-third said they didn’t shop around for a mortgage, the average homebuyer obtained two mortgage quotes.

<table>
<thead>
<tr>
<th># of mortgage quotes</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6+</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>36%</td>
<td>38%</td>
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<td>2</td>
<td>24%</td>
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<td>3</td>
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<td>6+</td>
<td>&gt;1%</td>
<td>1%</td>
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</tbody>
</table>

Homebuyers who obtained multiple quotes were more likely to negotiate on terms and more likely to say they saved money.

- Interest rate:
  - Q1 2014: 36%
  - Q1 2019: 47%
- Discount points:
  - 13%
  - 20%
- Mortgage insurance:
  - 12%
  - 18%
- Origination fees:
  - 11%
  - 18%
- Appraisal fees:
  - 12%
  - 17%

We’ve learned through our previous research that consumers of all backgrounds lack knowledge about mortgage basics. Continuing to build consumer knowledge about the mortgage process not only improves access to credit but is also likely to save homebuyers money.

TAKEAWAY

Led by Senior Vice President and Chief Economist Doug Duncan, our Economic & Strategic Research (ESR) Group studies current data, analyzes historical and emerging trends, and conducts surveys of consumer and mortgage lender groups to provide forecasts and analyses on the economy, housing, and mortgage markets.

Hear more from our research team, or read the full findings of our Survey.

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